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Effects of Public Sector Budget on Economic Development of the Nigerian Economy: A Study of Taraba State House of Assembly, Jalingo

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Abstract:

This Paper examines Effects of Public Budget on Economic Development of the Nigerian Economy. Primary Data for this research work was gathered through the administration of questionnaire whereas secondary data was obtained from textbooks, Journals and internet. Standard tables and simple percentages were used to present and analyze socio- economic variables while Analysis of Variance (ANOVA) was used to test the hypotheses formulated. This study found among others that the types of budget applicable in the public sector significantly affects economic development and that the purposes of preparing budget in the public sector have been met since it has significant effects on economic development. This research work recommends among others that realistic and attainable estimate should always be forecasted and that government should use budget as an economic tool to communicate the variables it intends to provide to the citizenry at a point in time to improve their welfare.

Keywords: Public sector, budget, economic development and Nigerian economy.

1. Introduction

Public sector can be defined as part of the economy that is managed, coordinated and controlled by the government for the purpose of maintaining law and order and provision of essential and basic needs of the society. Because of population explosion, the basic needs of the society are ever increasing by day. The need to launch management tool that will facilitate adequate generation of resources and optimal utilization of the available scarce resources in the hands of government cannot be overemphasized. This tool is called budget in accounting parlance.

The concept of budgeting is not a new phenomenon as every individual, entity, corporations and government engages in budgeting either knowingly or unknowingly. A man who wants to build a befitting apartment sits down to do the budgeting, otherwise he gets frustrated along the way after laying the foundation. It may seem so trivial, yet a virtuous housewife takes her precious time to prepare the family estimate to keep within the budget ceiling.

Historically, the word budget emanates from the Greek word "bougette" literally translated to be a small polythene (leather) bag or wallet containing money for spending along with the spending plan and patterns. Thus, a government budget is by no means a haphazard compilation. It is indeed a result of well-articulated and enunciated decisions relating to revenue and taxation, borrowing, expenditure and other fiscal matters (Akpa, 2008). Government budget in its modern form began as a result of a prolonged struggle between parliament (legislature) and the crown (monarchs), to obtain control over finance (revenue, allocation of expenditure and government borrowing). In the year 1217, it was declared in Magna Charta that no cottage or aid shall be imposed in the kingdom unless by the common council of realm. After the revolution of 1688, parliament now approved the right to authorized expenditure by the crown (Bendlebury, 2005). The 1921 Budget and Accounting Act required the President for the first time in the history of the United States to present such an "executive budget" to Congress each year. This set the stage for similar reforms to be put into place at the state and local levels of government. When these new centralized budget processes were combined with civil service and procurement reform, the primary tools were fully in place for increasing the efficiency and professionalism of modern government (Douglas, 2002). In Nigeria, according to Financial Regulations (2000), before ministries and departments can make expenditures, they must secure authorization to spend from the Ministry of Finance through the use of warrants. This warrant will authorize officers controlling votes to incur expenditure in accordance with the approved estimates.

1.1. Statement of the Research Problem

The issue of budget is not a new phenomenon however, the extent of full implementation of what is more of future forecast into the volatile economy that hold no regard for static circumstance pose some threat that needed to be resolve.

Foremost, experts in the field of accounting seems to suggest so many variant types of budget applicable in the public sector and there is critique which raised question on the ability of some types of budget to affect the economy of Taraba state; let alone Nigeria.

Moreover, budget is not prepared just for fun but to meet some specific purposes. On this note, different organizations have different purposes for the preparation of quantitative and qualitative information of anticipated revenue and propose expenditure. The need for harmonization of the various purposes of budget cannot be overemphasize.

In another dimension, the processes of preparing budget in the public sector are multi-dimensional. This truly makes comparison difficult. It is against this background that this study examines the effects of budget on Nigerian economy with specific emphasis on Taraba State House of Assembly, Jalingo.

1.2. Objectives of the Study

The major objective of this study is to examine Effects of budget on Economic development of the Nigerian Economy. The specific objectives are to:

- i. assess types of budget in the public sector;
- ii. evaluate the purposes of budget in the public sector;
- iii. examine the budgetary process in the public sector.

1.3. Research Questions

- i. What are the types of budget in the public sector?
- ii. What are the purposes of budget in the public sector?
- iii. What are the budgetary processes in the public sector?

1.4. Research Hypotheses

- H_{01} : The types of budget in the public sector do not make any significant effect on economic development;
- H_{02} : The purposes of budget do not have any significant effects on economic development;
- H_{03} : The budgetary process in the public sector does not have any significant effects on economic development.

1.5. Significance of the Study

This research work was carried out in order to contribute positively to the field of knowledge. The beneficiaries of this research work include students, staff of House of Assembly, the Management of House of Assembly, Taraba State government, and the general public. It has helped the researcher to gain more insight into the intricacies of budget. In addition, this research work will add value to the existing literature and students will find it as a reference material. The staff of house of assembly will definitely find this work a guiding module because it will help them to the types, purposes and the process of budget preparation in the public sector. The management of House of assembly will find this work useful because it will assist them to improve in the area of policy formulation. Taraba state government and of course any other government in Nigeria will find this work resourceful in improving their decision making in relation to the components of budget which has bearing on the general public.

1.6. Scope and Limitations of the Study

This research work covers the effects of budget on Economic development of the Nigerian Economy with specific focus on Taraba State House of Assembly, Jalingo. The reason for the choice of Jalingo metropolis is because of its cosmopolitan nature and being the state capital of Taraba State, it is an excellent representation of other states and sixteen Local Government areas. The study covered the period of five years between 2010- 2015. This period is chosen to cover a five-year experience of the staff of house of assembly. The limitation to this work ranges from time factor since carrying out research work alongside with course work is demanding to the idea of bureaucracy which gives rise to the concept of secrecy in which case data and record that are needful and relevant to the full actualization of this work are deemed to be "information asset" which the respondents reluctantly release even in the circumstance of adequate approval by the appropriate authority and lastly, financial handicap became a constraint to the attainment of the objectives of this work. However, the researcher was able to employ strategy to ensure the actualization of the available time and money to make this research work a huge success.

1.7. Conceptual Framework

This aspect of the study deals with the definition of terms that actually make up the research topic to enable in-depth understanding of the subject matter. Specifically, in this case, the terms budget and economic development will be given consideration.

1.8. The Concept of Public Sector

Public sector can be defined as all organizations which are not privately owned and operated, but which are established and operated by the government on behalf of the public. The public sector is concerned with providing services to the general public which would not have been adequately provided by the private sector or individuals at an unbearable cost.

1.9. The Concept of Budget

In the words of Horngren, Sundem, Stratton, Burgstahler and Schatzberg (2008), budget can be defined as a quantitative expression of a plan of action. In the same vein, Atkinson, Banker, Kaplan and Markyoung (1997), extended the tentacle of his definition by

asserting that “budget is a quantitative expression of the money inflows and outflows to determine whether a financial plan will meet organizational goal. According to Akpa, (2008), public budget is a statement of government intentions for the society in the future period expressed in terms of estimated expenditures and indications of sources of financing these plans. Once these intentions are approved, they become legal authorizations, otherwise known as appropriation or votes which cannot longer be altered in terms of exceeding spending limits. Omolehinwa, (2003), viewed budget as the plan of dominant individuals in an organization expressed in monetary terms and subject to the constraints imposed by other participants and the environment indicating how the available resources may be utilized to achieve whatever the dominant individuals agreed to be the organizations properties.

Abogun and Fagbemi (2012), observed that a budget is not just a quantitative expression of a plan of action but an economic term which must be expressed in period of years. In this line, CIMA (2000), proffered that a budget can be defined as financial and or quantitative statement prepared and approved prior to a defined period of time of the policies to be pursued by the organization in order to achieve organizational goals and objectives.

From the foregoing, a budget can be seen as a financial statement of the total expected revenue and the estimated expenditure of government for a specified period of time, perhaps, one year.

1.10. The Concept of Economic Development

Put in its proper perspective, economic development according to Todaro (Sick), is an increase in living conditions, improvement of the citizens’ self-esteem needs free and a just society. He suggests that the most accurate method of measuring economic development is the Human Development Index, which takes into account the literacy rate and life expectancy which in-turn has an outright impact on productivity and could led to economic growth. However, economic development can also be measured by taking into account the GDI (Gender Related Index). Economic development can be referred to as the quantitative and qualitative change in an existing economy.

Economic development involves development of human capital increasing, the literacy ratio, improve important infrastructure, improvement of health and safety and others areas that aims at increasing the general welfare of the citizens. In the words of Antai (2003), economic development is generally defined to include improvements in material welfare especially for persons with lowest incomes, the eradication of mass poverty with its correlates of illiteracy, disease and early death, change in the composition of inputs and output that generally include shifts in the underlying structure of production away from agricultural towards industrial activities. Aluju (2012), Asset that definitely any country that achieves economic development without improving the standard of living of its own citizen, their effort is zero behind a decimal point.

1.11. Types of Budget in the Public Sector

Budgeting is a universal and essential activity in government and there are diversities of budget being practiced in government at different period of time and at different environment. despite the fact that authors defer on the definition of budget, there is consensus on the types of budget operable in the public sector. Nwadihoha (2005), Adams (2004) and Akpha (2008) comfortably classify public budget into three, namely:

- a. The traditional budgeting system
- b. The programme performance budget and
- c. Zero based budget

1.12. The Traditional Budgeting System

The traditional budgeting system, also known as incremental budgeting is perhaps the most popular of all the types of budget used in government. It is a budgeting system in which the previous budget is increased by a specific percent to arrive at the current year budget giving consideration to economic trends, general inflation level and availability. The incremental budget accepts existing base and make further additional provision to meet future uncertainties.

1.13. Advantages of Traditional Budgeting System

- i. It is basically desirable for recurrent expenditure
- ii. Its operation is simple
- iii. It is suitable for Nigerian development
- iv. Appropriation standards are followed

1.14. Disadvantages of traditional budgeting system

- i. It results to a persistent rise in budget totals
- ii. It limits public understanding of the activities of government
- iii. It fails to support and finance new programmes of high priority
- iv. It finances projects of obsolete usefulness on overgenerous scales

1.15. The Programme and Performance Budget

The Programme and Performance Budgeting System (PPBS) came into existence as a result of the fusion of programme budgeting and performance budgeting approaches because the two approaches are compatible and require each other to be complete. The PPBS evolved to improve on the defects of the traditional budgeting system which does not pay attention to the fact the resources available

to government are scarce in relation to the numerous basic and essential needs on it to deliver goods and services. This system was adopted by the federal government of Nigeria in 1981 and was later abandoned. The PPBS monitors the stage by stage planning and implementation of government programmes and measures the extent of achievement of such goals which is compared with expected results.

1.16. Advantages of PPBS

- i. The goals and objectives of the annual activities are identified and known
- ii. It increases efficiency of work
- iii. It makes supervision especially by national assembly very easy
- iv. Resources are spent for the purpose intended for

1.17. Disadvantages of PPBS

- i. it requires excessive paper work
- ii. It is time consuming
- iii. Inadequate skilled manpower hamper its overall achievement

1.18. Zero Based Budgets (ZBB)

This is a budgeting system that was first conceived in the business sector of the USA in 1970s as a tool for maximizing profits by examining the need of each item of expenditure otherwise it is ignored. The ZBB arises from the criticism of the traditional budgeting system and it rejects the customary views of the incrementalist. The Modified ZBB was first implemented in the USA public sector by Mr. Jimmy Carter as Governor of Georgia in 1973. The purpose of using ZBB in the Public sector is to minimize waste in public expenditure. ZBB requires that each item of proposed expenditure should be adequately justified before inclusion in the budget in order of priority. The Philosophy of ZBB was applicable in Nigeria around 1980-1981.

1.19. Advantages of ZBB

- i. It allows for value of money
- ii. It does not accept annual increment
- iii. It gives rise to efficient resource allocation
- iv. It is good for capital expenditure
- v. It reduces wasteful spending

1.20. Disadvantage of ZBB

- i. Identifying a suitable decision unit is always a problem
- ii. Absence of adequate, accurate and sufficient data is another difficulty
- iii. Competent personnel to evaluate ZBB is lacking
- iv. It involves high volume of paper work

From the foregoing, the traditional or rather, incremental budgeting system involves the use of the previous periods budget thereafter, increase it by a specified percentage giving attention to the present economic realities.

The Programme and Performance Budgeting is which ensure that funds are allocated in relation to the goals that are intended to be achieved. Thus the result to be achieved has an overriding consideration over the expenditure to be incurred.

The Zero Based Budgeting system results to justification of each item in the estimate otherwise; the item of expenditure is ignored and dropped from the estimate.

Classically, a government budget is either a balanced, surplus or deficit. In a situation where government spending is equal to the revenue generated for the period, it is said to be a balance budget. Where the totality of revenue generated is greater than the government expenditure for the period, it is known as budget surplus. Whereas, if the revenue so generated is lower than government spending, then it is said to be budget deficit, in which case, additional resources will be borrowed to augment such spending. In Nigerian context, it is worthy of note that the latter has over the years being the case, which has outrageously increased the rate of the national debts. In fact, it is not always true that a balanced public budget compels financial discipline and efficient management of the financial affairs of government. It is not also quite true that budget deficit is a clear indication of virulent corruption and wasteful spending by government. Thus, whether a government should go for a balanced, surplus or deficit budget should be the function of the state of the economy at a given period of time and how the government agreed to respond to the circumstance in order to move the entire country to a desired position. According to Bamishigbin (2012), a budget is a statement containing a forecast of revenues and expenditure for a period of one year. By extension, budget is not a mere forecast because forecast is simply a prediction and projection of what is likely to happen in the future without necessarily calculating the outcome thereof.

A budget is a plan agreed in advance and the document is a clear reflection of what government intends to do in the future subject to availability of income. Since budget is futuristic in nature, it is synonymous to sound planning. By extension, it is a comprehensive plan of action designed to achieve the policy objective set by the government for the subsequent year.

1.21. Purposes of Budget in the Public Sector

Budget, a valuable mechanism of national resource mobilization and allocation, fiscal and economic management is indeed one of the functions of management in this millennium and if the corporate goals of the organization or any nation must be achieved, then, budget should be prioritized above the goals of the individual managers and the employees. According to Bartle (2008), budgets provide a focus for the organization, aid in the coordination of activities and facilitate control. Lockyer, (1983), opines that once a budget has been drawn up, it can be used as an instrument of control by continually comparing actual with budget performance. In the words of Edmonds, Edmonds, Olds, McNair, Tsay, Schneider and Milam (2007); budgets promote planning, coordination, enhances performance measurement and introduces corrective actions. From the foregoing, budget is significant in the following areas:

- i. Budget compels management to plan. Management becomes more effective and efficient in administering the operations of the organization because they are forced to plan for the future. Planning entails bringing the future in to the present so that we can do something about it now.
- ii. Budget helps management to coordinate the operations of the organization by amalgamating the efforts of diversified staff of various departments toward the overall goal of the organization.
- iii. Budget provides sense of direction to the entire country. It helps to maximize efficient allocation of scarce resources in the country by avoiding duplication and waste.
- iv. Budget is an economic tool because it is the medium used by government to put forth its macroeconomic policies as they manifest on consumption, employment, interest rates, savings etc.
- v. Budget also serves as a communication tool. It assists in propagating relevant information to all that are affected by it in anyway including the promoters, implementers and the ultimate beneficiaries. Thus it assists in effective communication.
- vi. It improved productivity of the organization. Budget is a tool that boosts the morale of employees because they participate in the policy formulation of the organization which ignites the feeling of belongings resulting to more effective performance and improved productivity.
- vii. Budget helps in performance evaluation and control. It facilitates effective control by providing definite expectations as basis for judging performance. Benchmarks are set over anticipated revenue and expenditure against which actual performance are gauge to reveal variance and management attention are employed to correct the difference and meet the target.

1.22. The Budgetary Process and Implementation in Nigeria

The formal budgetary process is one of the most popular control variables that affect effectiveness. In Nigeria, the budget practice undergoes certain processes to become a legal and economic tool. Thus, the budgetary process involves the totality of the procedure and the courses of action an estimate goes through before it finally becomes a legal document. A well-articulated budget must be adequately implemented to provide the dividends contained therein to the beneficiaries. If properly administered, it drives management planning, provides the best framework for judging subsequent performance and promotes effective communication and coordination among various segments of the organization.

As critical instrument for promoting growth and development of this country, proper understanding and management of all the stages of budgeting are not only necessary but equally important. The task of explaining this process can be made extremely easy by adapting the generic budgeting process and the key players in the budget process which are shown on figure 1:

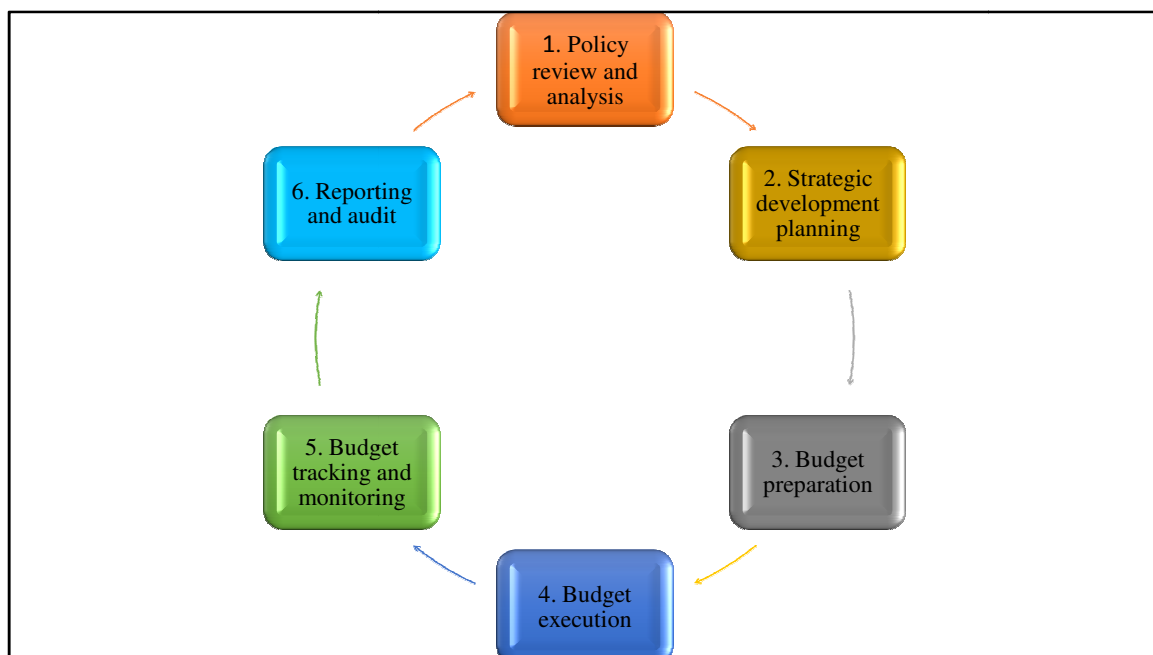


Figure 1: The generic Government Budgetary Process
Adapted from Akpa (2008)

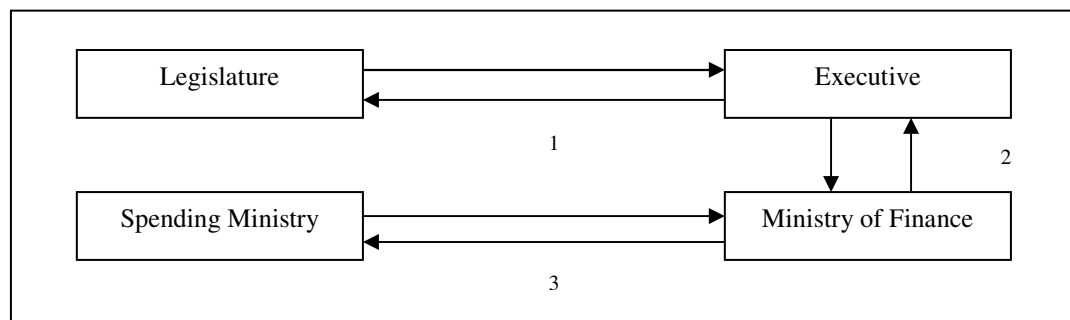


Figure 2: Key players in the budget process
Adapted from Ruffer, 2003

The cyclic budgetary process shows that there are interrelations between the phases to add value to the document for improved budget.

1.23. Budget Formulation

The first phase of budgeting in the public sector actually starts with packaging government goals, objectives and policies which is an aftermath of due consultation among stake holders. This policy trust for the preceding year is usually put forward to the budget office through the ministry of finance and economic planning.

1.24. The preparation and Execution

The preparation and execution of budgets are procedural which are shown below:

1.25. The Call Circular

According to Budget Manual (2014), the formal budgetary process commences with the issuance of the annual budget Call Circular to Ministries, Departments and Agencies of government. Akphan (2008) maintained that budget consolidation is achieved through the Ministry of budget and planning having received executive policy guidelines from the budget department of the Presidency in a document known as the call circular usually issued as directive to all ministries, departments and agencies (MDA's) requesting them to prepare and forward before a specified deadline their advance proposal or estimates of revenue and expenditure for the subsequent year.

1.26. Advance Proposals

On receipt of the call circulars by the various MDA's, departmental budget committee are set up for the preparation of the estimates and thereafter consolidated at the ministry's budget committee level which do the necessary modification before forwarding to the ministry of budget and planning by the Chief Accounting Officer of the accounting unit.

1.27. Presentation to the Executive Council

On receipt of the Consolidated Draft Estimate from each ministry, the Ministry of Budget and Planning sets up a Draft Estimate Committee to review, modify and consolidate the various Estimates submitted by the various Accounting units; thereafter forward same to the President who is the chief executive who will place it before the Parliament as Appropriation Bill.

1.28. Legislative Examination, Hearing and Passage

The Upper and Lower chamber of the National Assembly has the constitutional power to invite any minister to attend the house session called the budget session (at which there are standing committee of the two houses) for the purpose of explaining the affairs of his ministry and ultimately defend and justify the proposal of the ministry he is representing. The main purpose of the budget session is the introduction of the draft estimate to the house. In the events of inconsistency and disagreement, a finance committee will be set up to make good the disagreement. The two houses must latter meet to approve the bill which transforms it into Appropriation Estimate or bill.

1.29. Presidential Assent to Appropriation Bill

On receipt of the approved estimate, the president, the Chief Executive may disagree with certain amendments by the legislature. Except in the cases where such adjustments are material, the Chief Executive is advised to seek for compromise and assent to the bill. However, where he is persuaded not to assent, he makes amendments and sends the estimate back to the house. The house is also advised to seek for compromise this second time before this amendment would be sent back for the assent. Whenever there is heavy disagreement between the two arms of government in this eventuality, amicable and harmonious resolution is always the preferred way of reaching consensus. Where the President finally approved the bills it becomes an Appropriation Act, which is the budget which is passed to the minister of finance to issue expenditure warrants to execute budget.

1.30. Budget Tracking

Budget tracking commences simultaneously with budget implementation since it is meant to collect and analyze revenues and expenditure to ensure that government policy goals are achieved. It evaluates the extent at which government objectives are properly communicated and understood. It reveals how fiscal discipline has been achieved and how far the value for money spent has been enjoyed and realized.

1.31. Reporting and Audit

The extent of compliance with the budget is reviewed by the Auditor General for the Federation who reports clearly to the Public Accounts Committee through the lower House who advises the house on such matters as applicable. This reporting requirement insists that expenditure information should be made publicly through the house of assembly.

1.32. Analysis of the Budgetary Process in Nigeria

- i. From the foregoing, the President is empowered by 1999 constitution to prepare annual budget and present it to the National Assembly for vetting and approval.
- ii. The budget department of the presidency initiates budget policy which is sent to the ministry of budget and planning for consolidation
- iii. The guidelines are sent to MDA's as Call Circulars for preparation of estimates.
- iv. The outcome is sent to the Ministry of Budget and Planning, which review and modify the draft estimate by a committee before transmitting same to the President and the Chief Executive who passed same to the National Assembly for approval.
- v. The National Assembly deliberate and make amends where necessary and then approve the draft estimate in to appropriation bill. This is sent to the president for assent.
- vi. When the president gives his assent, the estimate becomes budget
- vii. There are basically three phases of approval, namely: The Ministerial approval, the Executive approval and the National assembly approval phases.

2. Methodology

This study was carried out in Jalingo, the capital city of Taraba state in the North Eastern part of Nigeria. The city shares common boundaries with Lau and Yorro Local Government Areas (LGAs) in the North and Ardo Kola LGA in the South. The major ethnic groups in Jalingo metropolis are Jukun, Fulani, Kona, Mumuye and Wurkun. The city lies on latitude 8°61' N and longitude 11°25' E. According to NNPC (2006), Jalingo has a population of 140,318. Survey research was used because the researcher used questionnaires to solicit data from the respondents. This study employs a total of twenty-four (24) Law Makers in Taraba State House of Assembly, a Clerk and deputy Clerk of the House and thirty-two (32) employees of the house, consisting of fifty-eight (58) populations. This is shown in the Table 1:

S/N	Respondents	No. of respondents
1.	Clerk and Deputy Clerk	2
2.	Law Makers	24
3	Operational Staff	32
	Total	58

Table 1: Break down of population of the study
Source: Researcher's Design, 2015

This study employed simple random sampling technique. This paper used Tarayamani method of computing the sample size which can be defined as:

$$n = \frac{N}{1 + N(0.05)^2}$$

$$n = \frac{58}{1 + 58(0.05)^2}$$

$$n = \frac{58}{1 + 58(0.0025)}$$

$$n = \frac{58}{1 + 0.145}$$

$$n = \frac{58}{1.145}$$

$$n = 50.66.; n = 51$$

S/N	Respondents	Population	Computation	Sample size
1.	Clerk and Deputy Clerk	2	2/1.145	2
2.	Law Makers	24	24/ 1.145	21
3	Operational Staff	32	32/1.145	28
	Total	58		51

Table 2: Break down of sample size
Source: Researcher's Design, 2015

This study used primary data to obtain firsthand information on budgetary process that can be relied upon through the technique of questionnaire. Secondary data was also used to fortify primary data meant for this work. For the purpose of this paper, secondary data was collected from textbook, journal, Budget manuals and internet. The researcher used both descriptive and inferential statistics to analyze the data collected for the purpose of this project. The descriptive statistics used is made up of tables and simple percentages whereas the inferential statistics used to analyze the primary data collected is Analysis of Variance popularly known as ANOVA. This method is used because it guarantees the comparison of the means of several populations at once. The null hypothesis in ANOVA is that all the mean of the groups is similar while the alternate hypothesis states that at least one of the group mean will not be similar.

$$H_0: M_1 = M_2 \text{ i.e } \sum (m_1 - \mu) = 0$$

$$H_1: m_1 \neq m_2 \text{ i.e } \sum (m_1 - \mu) \neq 0$$

The null hypothesis is rejected if the calculated value of F – ratio i.e (MS_B/MS_W) is greater than the critical value of F i.e $(F_{t-1, N-t})$ as given in the F distribution table otherwise, it stands accepted.

1. If $MS_B/MS_W > F_{t-1, N-t}$ then, reject the null hypothesis
2. If $MS_B/MS_W < F_{t-1, N-t}$ then, accept the null hypothesis.

2.1. Presentation of Socio- Economic Data

AGE	Office of the Clerk	Law makers	Operational Staff	Frequency	Percentage
16- 20	0	0	0	0	0
21-30	0	0	2	2	4
31 – 40	0	4	13	17	33
41and above	2	20	10	32	63
Total	2	24	25	51	100

Table 3: Age distribution
Source: Field Survey, 2015

Table 3 shows that 4% of the respondents are between the ages of 21-30, 33% are between the ages of 31-40, while the greater proportion of the respondents of 63% are between the ages of 41 and above.

Sex	Office of the Clerk	Law makers	Operational Staff	Frequency	Percentage
Male	1	24	21	46	90
Female	1	0	4	5	10
Total	2	24	25	51	100

Table 4: Sex Distribution
Source: Field Survey, 2015

From Table 4, the highest proportion of the respondents, that is 90% were male while 10% were female. This indicates clearly that the male participates more than the female counterpart in legislative activities of the state.

Status	Office of the Clerk	Lawmakers	Operational Staff	Frequency	Percentage
Single	0	1	3	4	8
Married	2	22	19	43	84
Divorced	0	0	2	2	4
Widowed	0	0	0	0	0
Separated	0	1	1	2	4
Total	2	24	25	51	100

Table 5: Marital status
Source: Field Survey, 2015

Considering marital status, Table 5 indicates that 8% of the respondents are single, 84% of the respondents are married while 4% of the respondents are divorced, none of the respondents were widowed, while 4% of the respondents are separated. This is a clear indication that the respondents were highly responsible people.

Education	Office of the Clerk	Law makers	Operational Staff	Frequency	Percentage
FSLC	0	0	0	0	0
Secondary	0	0	2	2	4
OND/ NCE	0	0	5	5	10
Degree and Equivalent	1	20	16	37	73
Post graduate	1	4	2	7	13
Total	2	24	25	51	100

Table 6: Education
Source: Field Survey, 2015

Table 6 clearly shows that overwhelming majorities of 73% of the respondents holds degree and its equivalent, none of the respondents had First school leaving certificate and secondary school certificates. 10% of the respondents had OND/NCE while 13% had postgraduate certificates.

Years	Office of the Clerk	Law makers	Operational Staff	Frequency	Percentage
00 -10	0	4	5	9	18
11 – 20	1	5	9	15	29
21 – 30	1	15	8	24	47
31and above	0	0	3	3	6
Total	2	24	25	51	100

Table 7: Years of working experience
Source: Field Survey, 2015

Table 7 indicates that greater portion of the respondents of about 47% have 21-30 years working experience, 29% have 11-20 years' experience, 18% have 0-10 years' experience and 6% have 31 years and above working experience. This reveals that the vast proportion of the respondents gave opinion from their pool of experience.

2.2. Presentation of Topical Data

This part of the study analyses information that relates to the subject matter under consideration. Specifically, data elicited from the respondents through questionnaire. Thus, ANOVA was used for analysis of topical data.

2.2.1. Test of Hypothesis I

	Budget and Economic Development	SA	A	U	D	SD	Total
a	The traditional budgeting system	24	25	2	0	0	51
b	The Purchases Budget	1	3	4	22	21	51
c	The programme performance budget	23	20	6	2	0	51
d	The sales Budget	1	1	2	24	23	51
e	Zero based budget	28	19	2	1	1	51
	Total	77	68	16	49	45	255

Table 8: Types of Budget in the Public Sector
Source: Field Survey, 2015

Applying ANOVA statistical tool yield the following result:

Source	SS	df	MS	F ratio	Remark
Between	1346	4	336.5	2.88	Reject
Within	2340	20	117		
Total	44	24			

Table 9: ANOVA Summary Table
Source: Field Survey, 2015

Looking at F – distribution table, we find that at $0.05F_{4,20} = 2.87$. The calculated value is 2.88 while the critical value (table value) is 2.87. Since the calculated value is greater than the critical table value, the null hypothesis which states that the types of budget in the public sector do not make any significant effects on economic development is rejected. This implies that the alternate hypothesis which states that the types of budget in the public sector make significant effects on economic development is sustained.

2.2.2. Test of Hypothesis II

	The following are the purposes of budget in the Public Sector	SA	A	U	D	SD	Total
a	Budget compels management to plan	21	23	2	3	2	51
b	Budget helps management to coordinate the operations of the organization	12	15	8	9	7	51
c	Budget provides sense of direction to the entire country	13	14	8	9	7	51
d	Budget is an economic tool	14	12	11	8	6	51
e	Budget also serves as a communication tool	12	15	9	8	7	51
Total		72	79	38	37	29	255

*Table 10: The Purposes of Budget in the Public Sector
Source: Field Survey, 2015*

Source	SS	df	MSF-	ratio	Remark
Between	414.84	103.7			
			9.55		Reject
Within	217.2	20	10.86		
Total	63224				

*Table 11: ANOVA Summary Table
Source: Field Survey, 2015*

Looking at F – distribution table, we find that at $0.05F_{4,20} = 2.87$. The calculated value is 9.55 while the critical value is 2.87. Since the calculated value is greater than the critical value, the null hypothesis which states that the purposes of budget do not have any significant effects on economic development is rejected. The alternate hypothesis which states that the purposes of budget have significant effects on economic development is maintained.

2.2.3. Test of Hypothesis III

	The budgetary Process in Public Sector	SA	A	U	D	SD	Total
a	Strategic development planning	21	23	2	3	2	51
b	Budget preparation	12	15	8	9	7	51
c	Budget execution	13	14	8	9	7	51
d	Budget tracking and monitoring	14	12	11	8	6	51
e	Reporting and audit	12	15	9	8	7	51
	Totals	72	79	38	37	29	255

*Table 12: The Budgetary Process in Public Sector
Source: Field Survey, 2015*

Source	SS	df	MSF-	ratio	Remark
Between	414.84	103.7			
			9.55		Reject
Within	217.2	20	10.86		
Total	63224				

*Table 13: ANOVA Summary Table
Source: Field Survey, 2015*

Looking at F – distribution table, we find that at $0.05F_{4,20} = 2.87$. The calculated value is 9.55 while the critical value is 2.87. Since the calculated value is greater than the critical value, the null hypothesis which states that the budgetary process in the public sector does not have any significant effects on economic development is rejected; the alternate hypothesis which states that the budgetary process in the public sector have some significant effects on economic development is accepted.

3. Discussion of Findings

This study titled Effects of Budget on Economic Development of the Nigerian Economy. Formulated three hypotheses which were adequately tested using Analysis of Variance popularly called ANOVA.

The result of hypothesis I shows a calculated value of 2.88 while the table value is 2.87. Because the calculated value of 2.88 is greater than the table value of 2.87, the null hypothesis which states that the types of budget in the public sector do not make any significant effects on economic development stand rejected. This implies that the types of budget in the public sector significantly effects economic developments.

The result of hypothesis II reveals a calculated value of 9.55 and the table value of 2.87. Because the calculated value is greater than the table value, the null hypothesis which asserts that the purposes of budget do not have any significant effects on economic development stand rejected. By extension, the purposes of budget have significant effects on economic development.

The result of hypothesis III shows that the calculated value is 9.55 while the table value is 2.87 at $0.05F_{4,20}$. Because the calculated value is greater than the table value, the null hypothesis which states that the budgetary process in the public sector does not have any significant effects on economic development is rejected. Thus, the alternate hypothesis which state that the budgetary process in the public sector has significant effects on economic development is sustained.

4. Summary of Findings

This study was carried out to examine the effects of Budget on Economic Development of the Nigerian Economy with peculiar focus on Taraba State House of Assembly, Jalingo covering the period of five years form 2010-2015. The data employed for the purpose of this study include primary as well as secondary data. The primary data were obtained through the instrumentality of questionnaire. Secondary data was gathered from textbooks, journals, newspapers, and internets which were dully acknowledged.

Moreover, it is worthy of note that the study reveals that the majority of the respondents of 67% were matured mind and competence of age bracket 41 and above. The study also shows that 90 of the respondents are male, 84% of the respondents are married while only 16% are unmarried, divorced or separated. This is also a clear sign that the personnel are mostly responsible ones. A look at educational qualifications reveal that an overwhelming majority of 73% of the respondents holds Degree certificate and none of the respondents is a secondary school certificate holder. This indicates that the respondents know and have the full view of the subject matter under consideration; thus, the respondent's opinion is viewed to be reliable and adequate.

In the area of working experience, the majority making 47% has worked for about 21-30 years. By extension, the information provided is from a pool of experience which helps the researcher to conclude upon. This study without any mincing words adopted standard table and simple percentages to present and analyze demographic data while topical issues were adequately analyzing through the use of Analysis of Variance popularly known as ANOVA. The study reveals that the variables such as types of budget, purposes of budget as well as the process of budget in the public domain affects economic development positively.

5. Conclusion

This research concludes that despite the fact that there are different types of budget, divergent purposes of budget and processes of budget in the public sector which are not always adequately implemented, yet, budget made significant effects not only in Taraba State but on the Nigerian economy at large.

6. Recommendations

From the foregoing, the following recommendations are made:

1. Realistic and attainable estimate should always be forecasted. Unrealistic budget result to variance which does not reveal the actual performance and ability of the corporate body it relates.
2. Budget should not be seen as a mere compilation of needs and the anticipated resources to meet the need as it were; but items of need at a particular point in time should be put together according to priority and a true picture of the amount of resources to be generated by such organization should be clearly considered and known.
3. Government should always use budget as an economic tool to communicate the variables it intends to provide to the citizenry at a point in time.
4. Future research should include the planning commission and other stakeholders as far as budget is concern to advance the depth of information gathering.

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